

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 100 – SB 503**

March 19, 2017

**SUMMARY OF BILL:** Authorizes county road superintendents to expend state-aid funds currently allocated for the state-aid highway system for roadway purposes including Class II and Class III roads and highways that are not part of the state-aid highway system, if all project priorities established by the Commissioner of the Department of Transportation (TDOT) have been addressed. Establishes that no approval of the Commissioner of TDOT is required for such expenditures and no conditions shall be imposed in conjunction with the expenditures.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Enables counties to permissively expend state-aid funds on local roads and highways, without a required local match. Due to multiple unknown factors, the extent and timing of any permissive expenditure of state-aid funds by local government cannot be quantified with reasonable certainty.**

Assumptions:

- Pursuant to Tenn. Code Ann. § 54-4-404, a portion of the state gas tax is allocated to each county to support construction and maintenance of local roads. These funds remain available to the counties until expended, but subject to a restriction that no more than 75 percent of the cost of any local road project may be drawn from these funds (with at least 25 percent of the cost covered by other local funds).
- These allocated state gas tax funds for each county are available only to that county, spent at the discretion of that county, and cannot be reduced or reallocated under current law.
- To the extent counties expend state-aid funds currently allocated for the state-aid highway system on Class II and Class III roads and highways that are not part of the state-aid highway system no local funding match would be required. Due to multiple unknown factors, such as the number of counties that have addressed all established project priorities in the state-aid system, the number of those that will expend state-aid funds on other projects, the amount of such funds expended, and the timing of any such expenditures, any fiscal impact cannot be quantified with reasonable certainty.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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